

Bureau of Land Management, Interior

§ 3551.4

environmental review, other agency consent and consultation, and lands not available for leasing. Cross-reference to specific regulations in part 3500 of this title is provided in this part as an aid to the reader and is not intended to limit the applicability of part 3500 of this title only to the cross-referenced regulations.

§ 3550.2-2 Special areas.

Part 3580 of this title contains regulations specific to certain national recreation areas and to certain lands patented to the State of California, and, as applicable, supplements this part. Except where specific regulations in part 3580 of this title are applicable, the regulations in this part and part 3500 of this title shall govern the leasing of “Gilsonite” in those national recreation areas and those patented lands.

§ 3550.3 Allowable acreage holdings.

No person, company, association or corporation may hold at any particular time, directly or indirectly, more than 7,680 acres under prospecting permit and lease in any one state.

Subpart 3551—Lease Terms and Conditions

§ 3551.1 Applicability of lease terms and conditions.

The lease terms and conditions set out under this section apply to all leases issued or readjusted under part 3550 of this title. Each lease shall be issued on a form approved by the Director and shall be dated as of the first day of the month after its approval by the authorized officer unless the applicant requests in writing that it be dated the first day of the month in which it is approved. Each lease shall authorize in accordance with its terms and conditions the mining of “Gilsonite”.

§ 3551.2 Rental and royalty.

§ 3551.2-1 Rental.

(a) Each lease shall provide for the payment of rental annually and in advance at the rate of 50 cents per acre or fraction thereof. The annual rental payment shall not be less than \$20. The

rental paid for any year shall be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

(b) If the annual rental is not timely remitted, the lessee shall be notified by the authorized officer that, unless payment is made within 30 days from receipt of such notification, action shall be taken to cancel the lease (See § 3509.4-2).

(c) Remittances of rental shall be made in accordance with § 3503.1 of this title.

§ 3551.2-2 Production royalty.

All leases shall be conditioned upon the payment to the United States of such royalties as may be specified in the lease, which shall be fixed by the authorized officer in advance as provided under § 3503.2-1 of this title.

§ 3551.3 Duration of lease.

The lease shall be issued for 20 years and for so long thereafter as “Gilsonite” is produced in paying quantities subject to the Secretary’s right of reasonable readjustment of lease terms and conditions at the end of each 20-year period.

§ 3551.4 Readjustment.

(a) The terms and conditions of a lease are subject to reasonable readjustment at the end of each 20-year period following the effective date of the lease unless otherwise provided by law at the time of expiration of such period. Prior to the expiration of each 20-year period, the authorized officer shall transmit proposed readjusted terms and conditions to the lessee. If the authorized officer fails to transmit the proposed readjusted terms and conditions prior to the expiration of the 20-year period, the right to readjust the lease shall have been waived until the expiration of the next 20-year term.

(b) The lessee is deemed to have agreed to the readjusted terms and conditions unless, within 60 days after receiving them, the lessee files an objection to the readjusted terms or relinquishes the lease. The authorized officer shall issue a decision responding to the objections, and if the response is adverse to the lessee, the decision shall grant the right of appeal under part 4